
Higher Education Capital Budget Overview

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

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Summary of Issues

How the Capital Improvement Program Addresses Campus Needs: The State's *Capital Improvement Program* (CIP) dedicates a large share of each year's capital budget to higher education. Despite that spending, academic space deficits are projected to grow by over 1 million net assignable square feet over the next 10 years.

Summary of Recommended Bond Actions

1. New Center for Communications and Information Technology

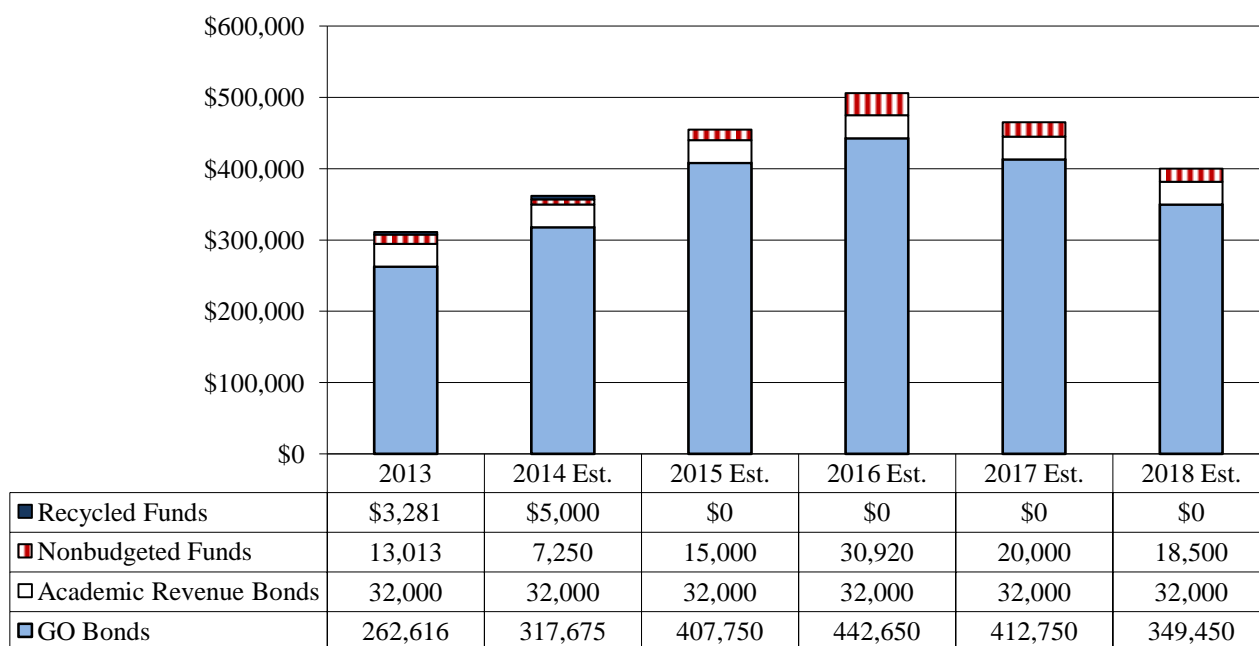
Approve.

Overview

Fiscal 2014 Allowance Totals \$361.9 Million

The CIP for all segments of higher education totals \$361.9 million for fiscal 2014, \$51.0 million greater than that authorized in fiscal 2013, and \$114.7 million greater than fiscal 2012. **Exhibit 1** shows that total capital appropriations are planned to grow through fiscal 2016 before declining to \$400.0 million in fiscal 2018. Fiscal 2014 includes \$317.7 million in general obligation (GO) bonds and \$32.0 million in Academic Revenue Bonds (ARB) for the University System of Maryland (USM). An additional \$7.3 million are nonbudgeted funds from private donors or other institutional resources.

Exhibit 1
Capital Funding Authorized and Proposed
Fiscal 2013-2018
(\$ in Thousands)



GO: general obligation

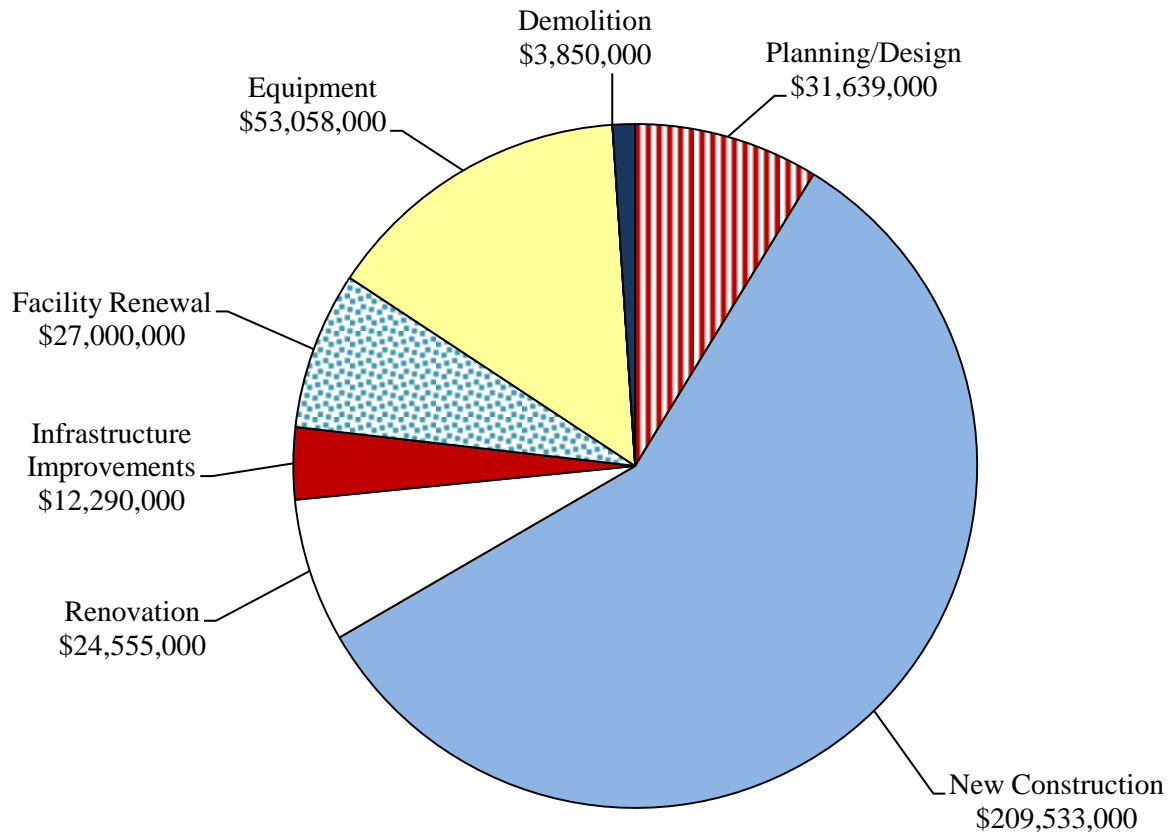
Note: Recycled funds represent funds within the Community College Facilities Grant Program that were appropriated in prior fiscal years and available to use due to lower than budgeted spending on some projects. Nonbudgeted funds do not include local funds for community college projects.

Source: 2013 *Capital Improvement Program*; 2012 *90 Day Report*

ARBs are issued directly by the institutions and authorized separately by annual legislation (HB 616 – Academic Facilities Bonding Authority) for USM. In fiscal 2014, USM's proceeds will be distributed to Coppin State University (CSU) (\$10 million); University of Maryland, College Park (UMCP) (\$5 million); and to facilities renewal projects systemwide (\$17 million).

The types of projects planned for fiscal 2014 include demolition, planning, new construction, renovation, facilities renewal, equipment, and infrastructure improvements. **Exhibit 2** shows the distribution of funding by project type. New construction and renovations make up 64.7% of all spending, or \$234.1 million. The next largest share is equipment at \$53.1 million. Most projects receiving equipment funding are in their final year and will not appear in a future capital budget.

Exhibit 2
Capital Projects by Type
Fiscal 2014



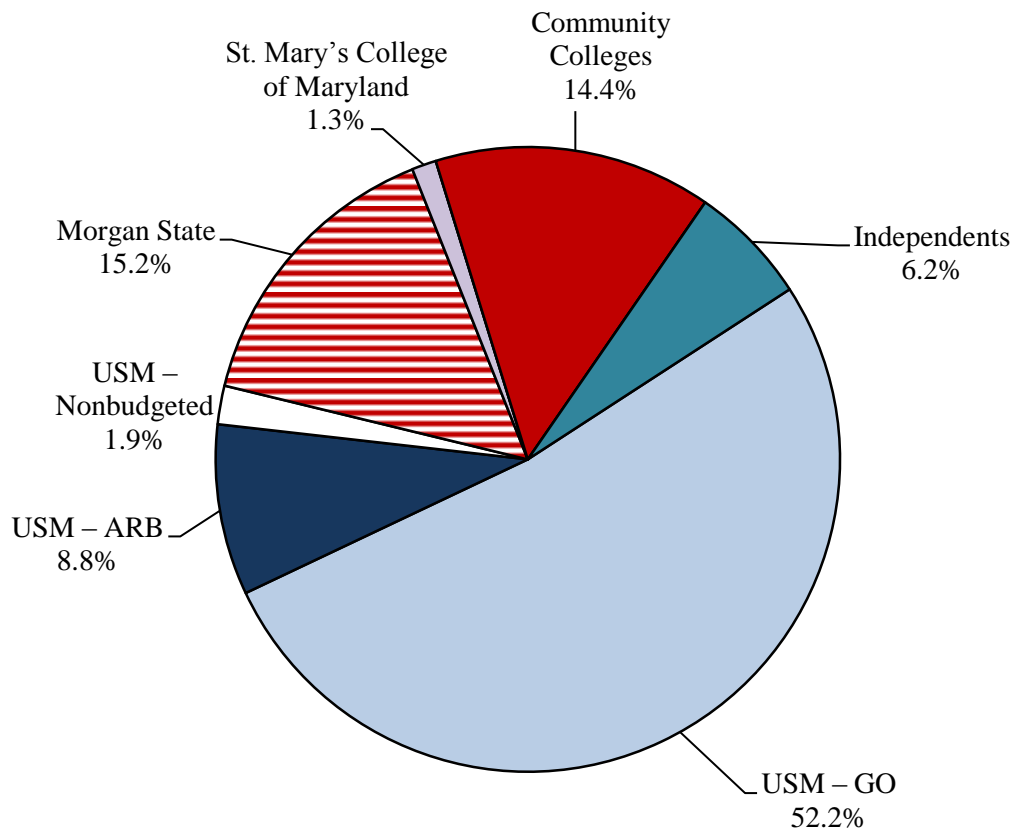
Note: Figures include all general obligation bonds, Academic Revenue Bonds, and nonbudgeted funds.

Source: Governor's Budget Books, Fiscal 2014

Four-year Institutions Receive 85.6% of Higher Education Capital

Funding by type of institution is shown in **Exhibit 3**. A year ago, four-year institutions received 87.6% of all higher education capital spending. The fiscal 2014 allowance allocates nearly the same share to that segment, 85.6%. The largest projects are the New Science and Technology Center at CSU (\$60.4 million) and the New School of Business Complex at Morgan State University (MSU) (\$50.8 million). The CSU project is in its final year of funding, while the MSU project is programmed to receive \$5.0 million for equipment in fiscal 2015.

Exhibit 3
Capital Funding by Type of Institution
Fiscal 2014



ARB: Academic Revenue Bond
GO: general obligation
USM: University System of Maryland

Note: Figures include all general obligation bonds, Academic Revenue Bonds, and nonbudgeted funds.

Source: Governor's Budget Books, Fiscal 2014

As the share of funding for four-year institutions declined slightly, the share allocated to community colleges grew from 12.4 to 14.4%. This is due to a \$14.4 million increase in spending for the Community College Facilities Grant Program, which grew from \$37.6 million to \$52.0 million (though it should be noted that both figures are below the \$80.0 million that was programmed for each of those years in the CIP). **Exhibit 4** shows programmed spending by institution and segment in the 2013 CIP.

Exhibit 4
Capital Funding by Institution
Fiscal 2013-2018
(\$ in Thousands)

	<u>2013</u>	<u>Proposed 2014</u>	<u>Estimate 2015</u>	<u>Estimate 2016</u>	<u>Estimate 2017</u>	<u>Estimate 2018</u>
UM, Baltimore	\$14,672	\$21,570	\$59,000	\$91,550	\$91,000	\$19,600
UM, College Park	47,035	25,705	51,700	90,050	79,100	32,400
Bowie State University	3,100	4,500	40,150	41,350	300	0
Towson University	11,700	11,012	0	33,300	43,150	43,500
UM Eastern Shore	0	22,695	59,850	2,350	0	0
Frostburg State University	44,550	9,103	0	0	0	0
Coppin State University	38,775	62,214	900	1,100	10,600	18,200
University of Baltimore	0	1,000	8,250	2,950	0	0
Salisbury University	1,980	8,572	61,100	44,170	0	0
UM University College	0	0	0	0	0	0
UM Baltimore County	34,225	37,178	10,000	4,150	5,050	58,750
UM Center for Environmental Sci.	1,150	2,350	11,050	1,800	5,450	6,800
USM Facilities Renewal	27,000	17,000	17,000	17,000	17,000	17,000
Universities at Shady Grove	0	5,000	6,000	30,000	64,000	54,150
USM – GO	181,340	188,899	278,000	296,850	263,650	202,400
USM – ARB	32,000	32,000	32,000	32,000	32,000	32,000
USM – Nonbudgeted	13,013	7,000	15,000	30,920	20,000	16,000
Morgan State ¹	29,685	54,911	12,100	39,450	33,000	33,850
St. Mary's College of Maryland ¹	310	4,580	17,700	9,900	5,600	9,550
Regional Centers	0	0	0	5,700	6,250	0
Community Colleges	37,629	52,035	80,000	80,000	80,000	80,000
Baltimore City Community College	0	0	950	6,750	20,250	22,150
Independents	16,933	22,500	19,000	4,000	4,000	4,000
Total	\$310,910	\$361,925	\$454,750	\$505,570	\$464,750	\$399,950

ARB: Academic Revenue Bond
GO: general obligation

UM: University of Maryland
USM: University System of Maryland

¹ Morgan State University figures include \$250,000 in nonbudgeted funds in fiscal 2013, and St. Mary's College of Maryland figures include \$2,500,000 in nonbudgeted funds in fiscal 2018.

Note: Figures include all general obligation bonds, Academic Revenue Bonds, and nonbudgeted funds. Community college funding includes the program fund balance.

Source: Governor's Budget Books, Fiscal 2014; 2012 90 Day Report

Higher Education – Capital Budget Overview

Every institution is to receive GO bond funds at some point over the next five years except the University of Maryland University College. Baltimore City Community College receives a capital authorization separately from the locally operated community colleges and does not receive funding in the allowance, though it is programmed for funding in fiscal 2015 through 2018.

USM Funded Capital Projects

A significant number of projects are funded independently of the State's capital budget. **Exhibit 5** shows capital projects that USM will fund using auxiliary revenue bonds, cash, or external resources. These projects total \$83.4 million in fiscal 2014. Most involve auxiliary facilities that are not eligible for GO bonds, such as dormitory renovations. Occasionally, a project will appear on the list that qualifies for State support, like the Central Maryland Research and Education Center Office Building. The funding of projects off of the capital budget allows them to advance faster than they may in the State's capital budget, but it can have impacts on the State's operating budget if a major new academic facility is financed and constructed in this manner.

Exhibit 5
University System of Maryland Capital Projects
Funded Independently of the State's Capital Budget
Fiscal 2014
(\$ in Thousands)

<u>Campus</u>	<u>Project</u>	<u>Cost</u>	<u>Source</u>
UMB	Garage Life Safety System Modifications	\$3,000	Auxiliary Bonds
UMCP	High Rise Residence Hall Air Conditioning	9,560	Auxiliary Bonds
UMCP	Central MD Research and Education Center Office Building	1,750	Institutional
TU	West Village Housing	39,150	Auxiliary Bonds
TU	Recreation Building	3,200	Auxiliary Bonds
TU	Newell Dining Hall	800	Institutional
SU	Dormitory Renovations, Campuswide	5,000	Auxiliary Bonds
UMBC	Residence Hall Renovations and Additions	900	Institutional
USG	New Parking Garage	20,000	Institutional
Total		\$83,360	

SU: Salisbury University
TU: Towson University
UMB: University of Maryland, Baltimore

UMBC: University of Maryland Baltimore County
UMCP: University of Maryland, College Park
USG: Universities at Shady Grove

Source: University System of Maryland

Capital Projects – Expedited Review

Exhibit 6 presents a brief summary of a project for which the Department of Legislative Services (DLS) has determined a full analysis is not warranted. The Frostburg State University Center for Communications and Information Technology has already been reviewed by the General Assembly in prior sessions when initial design and construction funds were authorized, and DLS finds no issues that require further committee consideration. **DLS recommends approval of this project.**

Exhibit 6 Expedited Review

<u>Institution</u>	<u>Budget Code</u>	<u>Project</u>	<u>DLS Rec.</u>
FSU	RB26A	Center for Communications and Information Technology – The fiscal 2014 capital budget provides \$9.1 million to complete construction and equip the new Center for Communications and Information Technology (CCIT). The building will provide an additional 68,101 net assignable square feet (NASF)/127,000 gross square footage of classroom, teaching laboratory, research, and other support space. The facility will house mathematics, mass communications, computer science, and graphics design. The programs to be housed in CCIT are technology intensive and require instruction video studios, computer and graphics laboratories, production studios, and audio-visual equipment. Currently, these programs occupy space that is not designed for extensive use of technology and cannot handle the electrical loads and the cooling and ventilation requirements of the equipment. In addition, the television studio/control room was converted from an old theatre stage and falls below broadcast standards. CCIT will provide an additional 8,106 NASF of classroom; 12,665 NASF of teaching laboratory space; 8,200 NASF of open laboratory space; and 10,285 NASF of office space. The total cost of the project is \$68.6 million.	Approve.

DLS: Department of Legislative Services

FSU: Frostburg State University

Source: Department of Legislative Services

Overview Issues/Updates

1. How the CIP Addresses Campus Needs

Maryland's higher education institutions face significant challenges with regard to space needs. **Exhibit 7** shows that only one campus has an overall academic space surplus, CSU at 55,848 NASF. The exhibit shows that different campuses have different space needs and different need mixes. The University of Baltimore (UB), for example, has a 52,972 NASF academic space deficit, but not in classroom space, as the campus has a 22,506 NASF surplus in classroom space.

Exhibit 7
Academic Space Needs at Public Four-year Institutions
(By Net Assignable Square Feet)
Fall 2011

<u>Institution</u>	<u>Total</u>	<u>Classroom</u>	<u>Class Laboratory</u>	<u>Research Laboratory</u>	<u>Office</u>	<u>Study/Stack</u>
UM, College Park	-1,537,102	-71,634	-55,296	-811,225	-206,634	-392,313
UM, Baltimore	-1,446,790	19,009	-47,297	-1,088,743	-302,905	-26,854
Towson University	-213,231	-53,786	-7,389	-52,939	-4,086	-95,031
Salisbury University	-195,424	-5,432	-95,881	-4,991	-3,710	-85,410
UM Baltimore County	-170,188	-10,549	-68,292	-50,942	38,783	-79,188
Frostburg State University	-63,080	5,415	2,923	-2,379	-27,759	-41,280
Univ. of Baltimore	-52,972	22,506	-35,005	-1,896	1,360	-39,937
SMCM	-44,179	-2,606	-17,739	651	-14,384	-10,101
UM Eastern Shore	-28,291	-9,116	310	-318	-15,553	-3,614
Bowie State University	-19,080	16,973	-8,649	2,642	2,083	-32,129
Morgan State University	-5,735	5,398	8,077	-19,860	-17,288	17,938
Coppin State University	55,848	11,101	27,070	-4,012	28,094	-6,405
Total	-3,720,224	-72,721	-297,168	-2,034,012	-521,999	-794,324
Total Inventory	10,124,509	1,270,517	1,463,347	1,656,071	4,542,148	1,197,462
Space Deficiency Deficit as a Percent of Inventory	36.7%	5.7%	20.3%	122.8%	11.5%	66.3%

SMCM: St. Mary's College of Maryland

UM: University of Maryland

Source: Maryland Higher Education Commission

Higher Education – Capital Budget Overview

Needs are the greatest at the University of Maryland, Baltimore (UMB) and UMCP, which have deficits totaling about 1.5 million NASF each. For both campuses, the greatest deficit is in research laboratory space, which helps support the institutions' role as research institutions. UMB and UMCP also have significant needs for office space, and UMCP has nearly half of the State's overall deficit for study/stack space.

Also shown is the State's total academic space inventory, or the total amount of each space category found on campuses in fall 2011. Academic space totaled over 10.1 million NASF. The deficit in research space is shown to be larger than the State's total inventory, and the need for study/stack space is nearly two-thirds the space inventory. On the other hand, the classroom space deficit is nearly fully addressed compared to the overall inventory.

The projects on the CIP are intended to help each campus's individual needs. Despite significant spending each year, **Exhibit 8** shows that space deficits are projected to grow through fall 2021. The exhibit accounts for enrollment growth, projects programmed in the State's CIP, and facilities that are expected to close in that time. Categories with figures in bold indicate a space surplus switching to a deficit, or a deficit that grows significantly. On the other hand, two campuses have current space deficits that are fully addressed and shown underlined: Towson University (classroom and class laboratory) and Salisbury University (classroom).

Exhibit 8 **Space Added from *Capital Improvement Program*** **Fall 2011 and 2021 (Projected)**

<u>Institution</u>	<u>Total</u>	<u>Classroom</u>	<u>Class Laboratory</u>	<u>Research Laboratory</u>	<u>Office</u>	<u>Study/ Stack</u>
UM, College Park						
Fall 2011	-1,537,102	-71,634	-55,296	-811,225	-206,634	-392,313
Fall 2021 (Projected)	-2,007,895	-59,364	-83,084	-1,212,702	-254,313	-398,432
UM, Baltimore						
Fall 2011	-1,446,790	19,009	-47,297	-1,088,743	-302,905	-26,854
Fall 2021 (Projected)	-1,741,753	3,314	-58,497	-1,175,256	-364,828	-146,486
Towson University						
Fall 2011	-213,231	<u>-53,786</u>	<u>-7,389</u>	-52,939	-4,086	-95,031
Fall 2021 (Projected)	-67,778	<u>518</u>	<u>5,774</u>	-9,172	-9,298	-55,600
Salisbury University						
Fall 2011	-195,424	<u>-5,432</u>	-95,881	-4,991	-3,710	-85,410
Fall 2021 (Projected)	-201,149	<u>954</u>	-141,047	-20,171	-24,375	-16,510

Higher Education – Capital Budget Overview

<u>Institution</u>	<u>Total</u>	<u>Classroom</u>	<u>Class Laboratory</u>	<u>Research Laboratory</u>	<u>Office</u>	<u>Study/ Stack</u>
UM Baltimore County						
Fall 2011	-170,188	-10,549	-68,292	-50,942	38,783	-79,188
Fall 2021 (Projected)	-260,883	-30,220	-72,917	-75,064	16,728	-99,410
Frostburg State University						
Fall 2011	-63,080	5,415	2,923	-2,379	-27,759	-41,280
Fall 2021 (Projected)	-57,547	7,934	9,482	-1,380	-32,776	-40,807
Univ. of Baltimore						
Fall 2011	-52,972	22,506	-35,005	-1,896	1,360	-39,937
Fall 2021 (Projected)	-104,867	17,722	-55,283	-3,541	-31,210	-32,555
St. Mary's College of Maryland						
Fall 2011	-44,179	-2,606	-17,739	651	-14,384	-10,101
Fall 2021 (Projected)	-39,826	-995	-14,792	651	-14,771	-9,919
UM Eastern Shore						
Fall 2011	-28,291	-9,116	310	-318	-15,553	-3,614
Fall 2021 (Projected)	-72,284	-17,714	14,613	-10,038	-49,008	-10,137
Bowie State University						
Fall 2011	-19,080	16,973	-8,649	2,642	2,083	-32,129
Fall 2021 (Projected)	-21,890	11,428	-3,879	-1,300	-2,899	-25,240
Morgan State University						
Fall 2011	-5,735	5,398	8,077	-19,860	-17,288	17,938
Fall 2021 (Projected)	-275,869	-17,434	-33,268	-50,837	-164,549	-9,781
Coppin State University						
Fall 2011	55,848	11,101	27,070	-4,012	28,094	-6,405
Fall 2021 (Projected)	-108,452	-18,749	-59,132	-6,921	-12,673	-10,977
Total Fall 2011	-3,720,224	-72,721	-297,168	-2,034,012	-521,999	-794,324
Total Fall 2021 (Projected)	-4,960,193	-102,606	-492,030	-2,565,731	-943,972	-855,854

UM: University of Maryland

Note: Categories with figures in bold indicate a space surplus switching to a deficit, or a deficit that grows significantly, while those that are shown underlined have space deficits that are fully addressed by the CIP.

Source: Maryland Higher Education Commission; Department of Budget and Management

GO Bond Recommended Actions

1. Approve \$9.1 million in general obligation bond funds to construct a new Center for Communications and Information Technology at Frostburg.

Status of Previously Authorized Projects University System of Maryland

<u>Institution</u>	<u>Project</u>	<u>Estimated Total Cost</u>	<u>Fund Source</u>	<u>Design Start</u>	<u>Construction Start</u>	<u>Construction Completion</u>
UMB	Health Sciences Facility III	\$283,600,000	State/NBF	5/12	1/14	7/18
TU	Smith Hall Addition/Renovation	156,050,000	State	1/13	7/17	7/19
UMCP	Physical Sciences Complex, Phase 1	126,474,000	State/NBF	8/07	6/10	9/13
UMCP	New Bioengineering Building	125,670,000	State/NBF	2/13	1/15	1/17
CSU	New Science and Technology Center	124,358,000	State	4/10	8/12	8/14
SU	Academic Commons (New Library)	114,100,000	State/NBF	2/13	6/14	6/16
UB	New Law Center	107,279,000	State/NBF	3/09	8/10	1/13
UMES	New Engineering and Aviation Science Building	91,337,000	State	8/11	6/14	6/16
BSU	New Natural Sciences Bldg.	89,369,000	State	1/13	1/15	1/17
TU	Towson Center Arena Addition/Renovation	73,000,000	SFCP	8/07	3/11	4/13
UMCP	Prince Frederick Hall (aka Caroline, Carroll, Wicomico Residence Halls Replacement)	71,291,000	SFCP	11/11	5/12	4/14
UMBC	Performing Arts and Humanities Facility, Phase 2	71,275,000	State	7/11	7/12	7/16
FSU	Communication and Information Technology Center	66,435,000	State	4/10	11/11	12/13
UMCP	St. John Learning and Teaching Center	55,100,000	State/NBF	7/12	6/14	6/16
UMBC	Residential Community Renovations: Hillside and Terrace Apartments with Community Center	50,200,000	SFCP	2/11	12/11	9/13
BSU	New Student Center	42,700,000	SFCP	6/10	1/12	7/13
UMCP	Cambridge Community HVAC Upgrades (aka High Rise Residence Hall A/C)	40,340,000	SFCP	1/11	5/12	8/17
TU	Residence Facilities Renovation (Newell, Richmond)	25,700,000	SFCP	3/10	6/11	12/12
CSU	Garage	15,600,000	SFCP/Other	9/07	10/12	4/14
SU	Chester/Choptank Hall Renovation	15,050,001	SFCP	7/11	5/12	6/13
TU	Campuswide Safety and Circulation Improvements, Phase 2	15,012,000	State	2/12	3/13	8/14

Higher Education – Capital Budget Overview

Appendix 1

<u>Institution</u>	<u>Project</u>	<u>Estimated Total Cost</u>	<u>Fund Source</u>	<u>Design Start</u>	<u>Construction Start</u>	<u>Construction Completion</u>
TU	Burdick Renovation, Phase 3	15,000,000	SFCP	10/12	9/13	8/14
UMCES	Truitt Lab (New Environmental Sustainability Lab)	14,397,000	State	10/12	6/14	10/15
UMCP	Fraternity/Sorority Houses Renovation, Phase 9	13,730,000	SFCP	6/10	7/11	8/12
UMBC	Campus Traffic Safety and Circulation Improvements	12,806,000	State	1/13	6/14	8/15
UMCP	High Rise Residence Hall A/C, Phase 2 (aka Elkton Hall Renovation)	11,505,000	SFCP	8/10	2/12	8/13
TU	Ward/West Halls Renovations	10,500,000	SFCP	6/11	7/12	12/13
UMCP	Pocomoke Bldg. Renovation	9,000,000	SFCP	10/10	8/12	8/13
TU	Public Safety Building	8,000,000	SFCP	6/10	10/11	12/12
UMCP	University House	7,200,000	SFCP	12/10	9/11	8/12
UMB	Pratt Street Garage Renovation (multi-phase project)	7,000,000	SFCP	1/09	3/12	8/13
SU	Severn Hall HVAC Renovations	6,929,251	SFCP	11/10	5/13	8/13
UMCP	Remote Library Storage	6,790,000	State	9/12	9/14	9/15
UMCP	Building and Landscape Services Building (East Campus Development)	5,480,000	State/Cash	10/12	2/13	8/13
UMCP	Bio-Psych Replacement Air Handling Units (part of Campus Building Systems and Infrastructure Improvement)	5,000,000	State/Cash	2/12	11/12	11/13
BSU	Campuswide Site Improvements, Phase 2 (Sidewalks, Landscape, Lighting)	4,123,000 (ph 1 and 2)	State	10/10	6/12	12/12
UMCP	Denton Community Quadrangle	3,650,000	SFCP	1/11	5/12	10/12
BSU	Electrical Upgrades (formerly Campuswide Site Improvement, Phase 2)	3,419,755	State/NBF	3/10	3/11	8/12
UMCP	South Campus Water Main (part of Campuswide Building Systems and Infrastructure Improvements)	2,810,000	State/Cash	10/11	5/12	11/12
UMCP	Athletic Field Renovation	2,511,920	SFCP	4/11	5/12	8/12
UMB	Lexington Garage Elevators & Entrance Modifications	2,500,000	SFCP	8/12	1/13	1/15
UMCES	Research Pier Repairs – CBL	1,702,622	Other	1/11	4/12	12/12

<u>Institution</u>	<u>Project</u>	<u>Estimated Total Cost</u>	<u>Fund Source</u>	<u>Design Start</u>	<u>Construction Start</u>	<u>Construction Completion</u>
UMB	Howard Hall Renovation, Sixth Floor	1,700,000	Other	6/10	4/12	4/13
UMBC	Replacement of Communication Tower	1,560,000	SFCP	10/12	3/13	7/13
UMCP	Terrapin Trail Garage Renovation	1,200,000	Other	1/10	6/12	8/12
UMES	Renovation of Residential Complex Cluster 1	1,124,000	Other		2/12	8/12
UMCP	Renovation of Shipley Athletic Field	1,000,000	State	1/13	6/13	8/13

BSU: Bowie State University
 CBL: Chesapeake Biological Laboratory
 CSU: Coppin State University
 FSU: Frostburg State University
 HVAC: heating, ventilation, and air conditioning
 NBF: nonbudgeted funds
 SU: Salisbury University
 TU: Towson University
 UB: University of Baltimore
 UMB: University of Maryland, Baltimore
 UMBC: University of Maryland Baltimore County
 UMCES: University of Maryland Center for Environmental Science
 UMCP: University of Maryland, College Park
 UMES: University of Maryland Eastern Shore
 USM: University System of Maryland

Source: University System of Maryland